

REMARKS

Claims 1-60 remain pending in the application.

The allowance of claims 1-14, 17, and 41-52 (and the indication of patentable subject matter in claim 26) is noted with appreciation. The other claims stand rejected based on Cox (5,915,027) in view of Tewfik (6,272,634) and the Cox article. This rejection is respectfully traversed.

In connection with the rejection of independent claims 15, 18, 27 and 53, the Office relied on Tewfik at col. 7, line 61 – col. 8, line 6.

Tewfik was filed in August, 1997 – after the February, 1997, Australian filing of the present applicants' priority application. Thus, Tewfik's patent, *per se*, is not believed to be available as prior art.

Tewfik claims priority to two earlier provisional applications, one filed in June 1997 (the '587 application) and one filed in August, 1996 (the '979 application).

Only Tewfik's '979 application predates applicants' February, 1997, priority.

Tewfik '979 does not appear to include the language cited from the issued patent on which the present rejections are based. A copy of the '979 application is submitted herewith.

Applicants thus respectfully submit that the February, 2006, Action has not demonstrated *prima facie* obviousness of any of independent claims 15, 18, 27 or 53.

In view of such shortcoming, other points that might be made concerning the rejections, the art, and the claims are not belabored.

With the next communication, the Office is requested to return an initialed copy of the Information Disclosure Statement form that was filed in November, 2005. A further IDS is submitted herewith.

Favorable reconsideration and passage to issuance are solicited.

Date: May 23, 2006

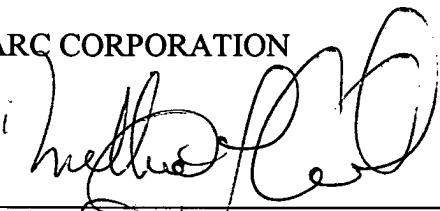
CUSTOMER NUMBER 23735

Phone: 503-469-4800
FAX 503-469-4777

Respectfully submitted,

DIGIMARC CORPORATION

By _____


William Y. Conwell
Registration No. 31,943